Oregon Department of Transportation

The Oregon Project:
How to Put Together the Pieces
of Road Usage Charge Legislation

Florida Mileage Based User Fee Alliance Workshop
Tallahassee, Florida
August 15, 2013

History of *User Pays Policy* in Oregon

- Nation's first gas tax enacted in 1919

- Nation's first weight mile tax for heavy vehicles enacted in 1933

- Nation's first cost allocation study completed in 1937

- Gas tax increases in 1921, 1923, 1930, 1933, 1949, 1967, 1982, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993 and 2011

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Initial Legislation
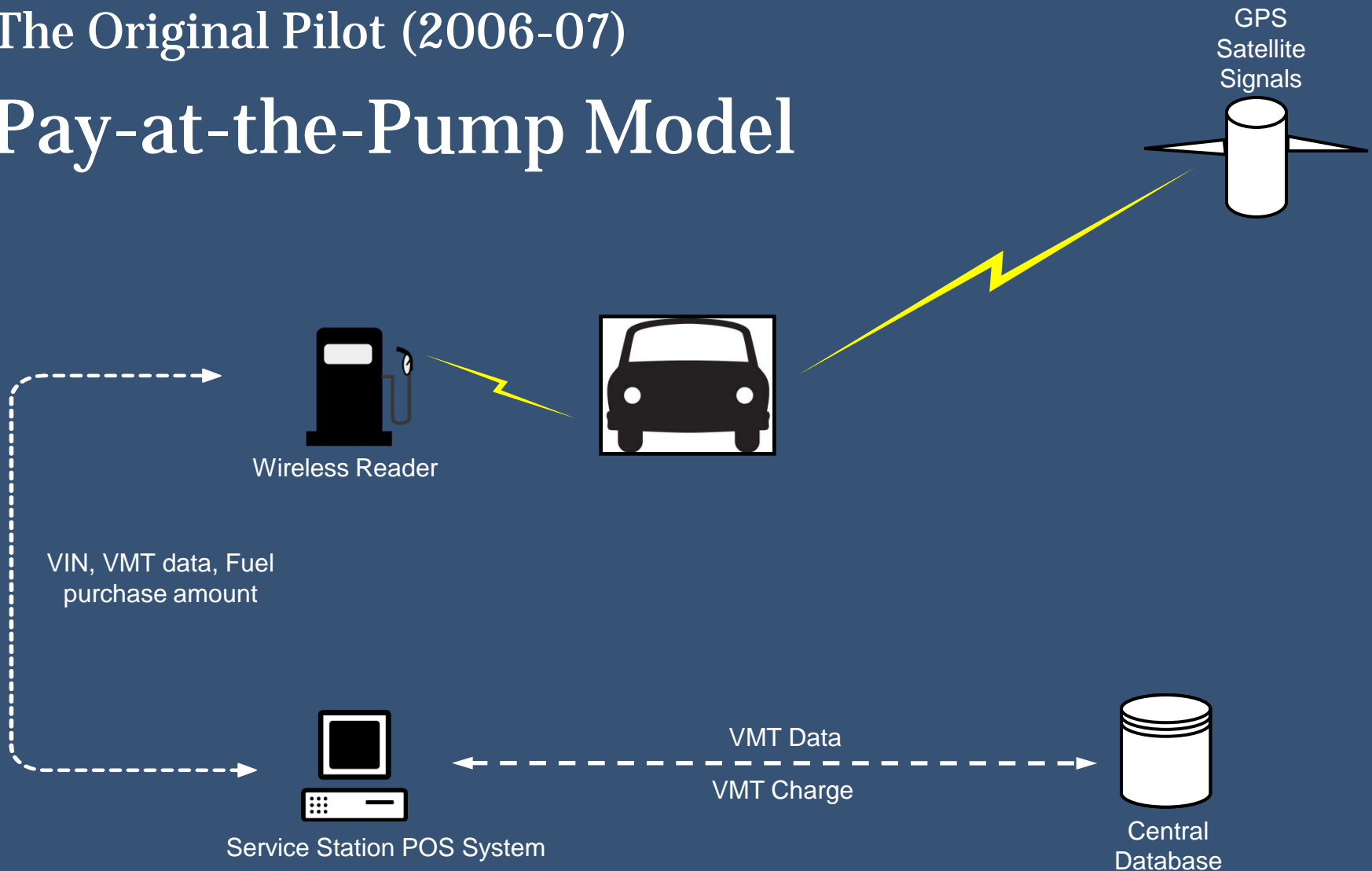# Road User Fee Task Force

House Bill 3456 (2001)

- Develop policy recommendations for new revenue system based on road use to replace current system

- Directs DOT to administer RUFTF

- Directs DOT to develop and implement pilot programs based on RUFTF policy recommendations

- Allows for fuel tax refund for pilot participants paying mileage fee

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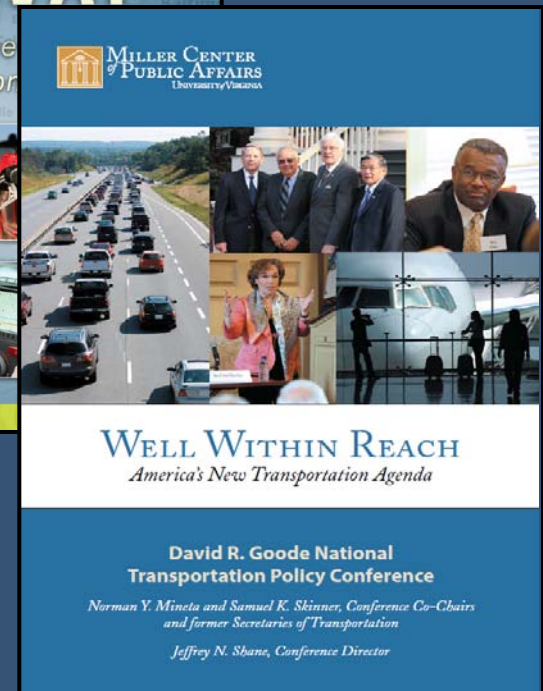# The Original Pilot (2006-07)

Pay-at-the-Pump Model

GPS Satellite Signals

Wireless Reader

VIN, VMT data, Fuel purchase amount

Service Station POS System
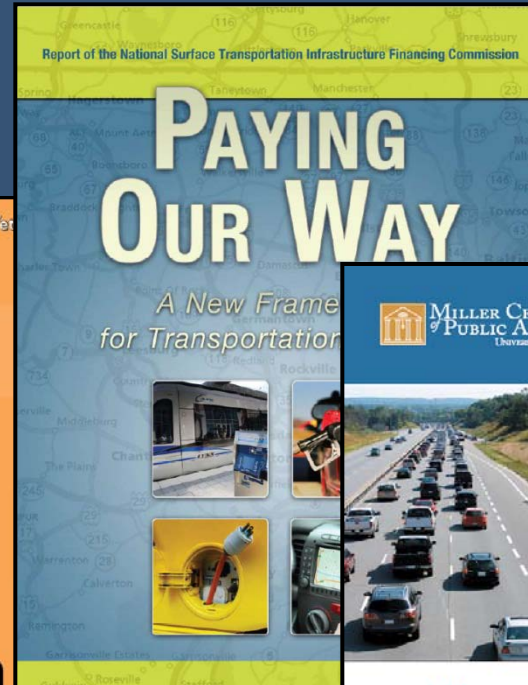
VMT Data
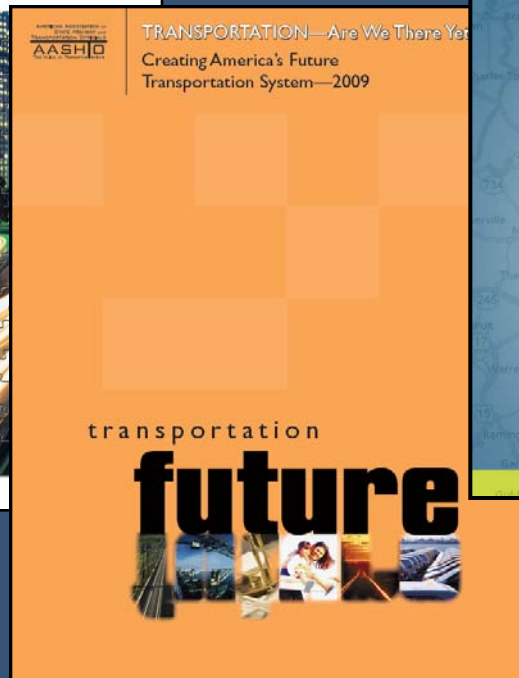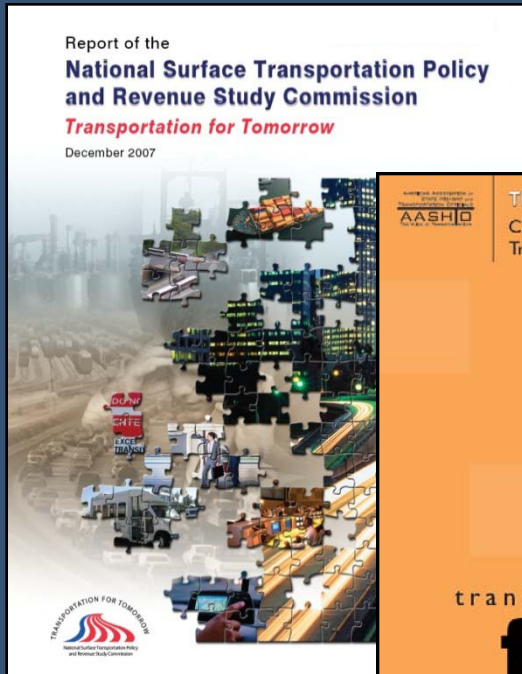
VMT Charge

Central Database

Original Pilot Program Technologies

National Review & Support

Operational Objectives for New Version of Per-Mile Road Usage Charge System

1. Choices for mileage reporting choices with no government mandated technologies

2. Access to open market for technologies

3. DOT & private sector administration options

4. Simple and easy for motorists

Three Categories of Mileage Reporting

1. Basic: Report all miles driven

   - Manual reporting
   - Electronic mileage reporting with _no_ GPS

2. Advanced: Report miles by geographic location

   - Electronic mileage reporting with GPS

3. Simplified: No reporting

   - Assume maximum annual miles driven

Options for Electronic Mileage Reporting

1. Activate a metering device within vehicle

2. Install a metering device in vehicle

In-vehicle Telematics or Infotainment System

PAYD Insurance Dongle

Navigation Unit

Payment of Road Usage Charge

Invoice

- Receive by mail or email

Options for payment

- Cash
- Check
- Credit
- Debit
- Electronic Funds Transfer

Oregon's Platform for a New Per-Mile Road Usage Charge System

- Based on machine to machine communications with a standard mileage message

- DOT certifies private sector entities to provide mileage reporting technologies under open system

- DOT certifies private sector entities as tax processing and account management alternatives to government

- Fully scalable, flexible and geographically unlimited

Standard Mileage Message

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}
}
]
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```

Standard Mileage Message Decoded

- Vehicle identification number

- Mileage reporting device identification number

- Timestamp for installations and removals of mileage reporting device

- Total mileage during reporting period

- Fuel consumption during reporting period

- For advanced plans, coordinates of mileage traveled

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Oregon's Second Pilot
Road Usage Charge Pilot Program

- November 1, 2012 to February 28, 2013

- 44 volunteer participants from Oregon

  - 8 state legislators
  - Others with policy interest

- Paid road usage charge, received fuel tax credit

- Private sector firms provide

  - Mileage reporting technologies
  - Tax processing and account management

- Washington DOT and Nevada DOT managed 44 additional participants

Option 1: The Basic Plan (without GPS)

sanef

On Line Payment
Credit Card Payments
Debit Card Payments

Option 2: The Smart Phone Plan

Option 3: The Advanced Plan (with GPS)

Oregon Department of Transportation

**Mail
Pay by Check**

Option 4: The Basic Plan (without GPS)

Option 5: Flat Rate Plan

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Choosing your plan

To activate your account, you must choose a charging plan. Your charging plan will include a road usage charge service provider – either ODOT or a private provider, Sanef – and a method to report the miles you drive (click on the plan title in the table below).

Need help? Call toll-free 855-797-1265 or RUCPP@odot.state.or.us

Plan Options

	Miles Reported	Invoice	Payment	Online account management	Uses GPS?
ODOT Basic Plan	All	Mailed Monthly	Check	No	No, does not report where miles are driven
ODOT Flat Rate Plan	N/A	Once, at start	Check	No	No device
Sanef Basic Plan	All	Emailed Monthly	credit/debit card	Yes	No, does not report where miles are driven
Sanef Advanced Plan	Public roads in Oregon only	Emailed Monthly	Credit/debit card	Yes	Yes
Sanef Smartphone Plan	With application running, only roads in Oregon; without application running, all roads	Emailed Monthly	Credit/debit card	Yes	Yes, when the application is running

Installation of an On Board Unit

Road Usage Charge Statement

From :
Sanef S.A.
30, Boulevard Gallieni
92 130 Issy les Moulineaux
France

On behalf of :
Oregon Department of Transportation
3700 SE 92nd Ave
Portland
Oregon
97216

To :
A Customer
123 Main Street
Portland
Oregon
97201

Invoice No: SI1012-1234

Invoice Month: October 2012

Issue Date: Nov 5 2012

Item Description	Amount	Rate ($)	Subtotal
VRM: YG59RZW Vehicle: BMW Mini Clubman D VIN No: MWWMN52080TW95921 OBU No. 0507011044000022 Plan: BASIC			
Mileage Tax	1123 miles	$0.0156	17.52
Fuel Tax Refund	15.51 gals	$0.30	-4.65
Subtotal for Mini Clubman YG59RZW			**12.87**
VRM: SL58RZJ Vehicle: Volvo V70 SE LUX D5 VIN No: YV1BW714191088570 OBU No. 0507011218500921 Plan: ADVANCED / SMARTPHONE			
Mileage Tax			
Total Mileage	1485 miles		
${HOMESTATE} Taxable Miles	845 miles	$0.0156	13.18
Fuel Tax Refund	28.17 gals	$0.30	-8.45
Subtotal for Volvo V70 SL58RZJ			**4.73**
TOTAL Mileage Tax Due			
Total Mileage Tax Due / You are owed a credit of			**$17.60**
Payment Date			**Dec 05 12**

To pay your Mileage Tax, please visit https://odot.saneftolling.co.uk and follow the on-screen instructions.

Implementation
Oregon Road Usage Charge Legislation (SB 810)

- For 5,000 volunteer light vehicles

- Rate of 1.5 cents per mile

- Rebate of fuel tax paid

- ODOT develops methods of reporting

- Mandates choices for motorists

- At least one reporting choice must not use GPS

- Open market for reporting technologies

- Private sector administration option

- Penalties for false statements, non-payment and tampering

- Protection of personally identifiable information

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Privacy Solutions

- Choices of Reporting Method and Provider

  - Basic reporting from odometer

  - Advanced reporting using vehicle location technology

  - Simplified reporting of assumed maximum miles driven

- Selection of Mileage Reporting Device from Marketplace

- Protection of Personally Identifiable Information

  - Limits who has access to PII

  - Imposes obligation to protect PII

  - Destroy mileage data within 30 days after later of

    - Payment processing
    - Dispute resolution
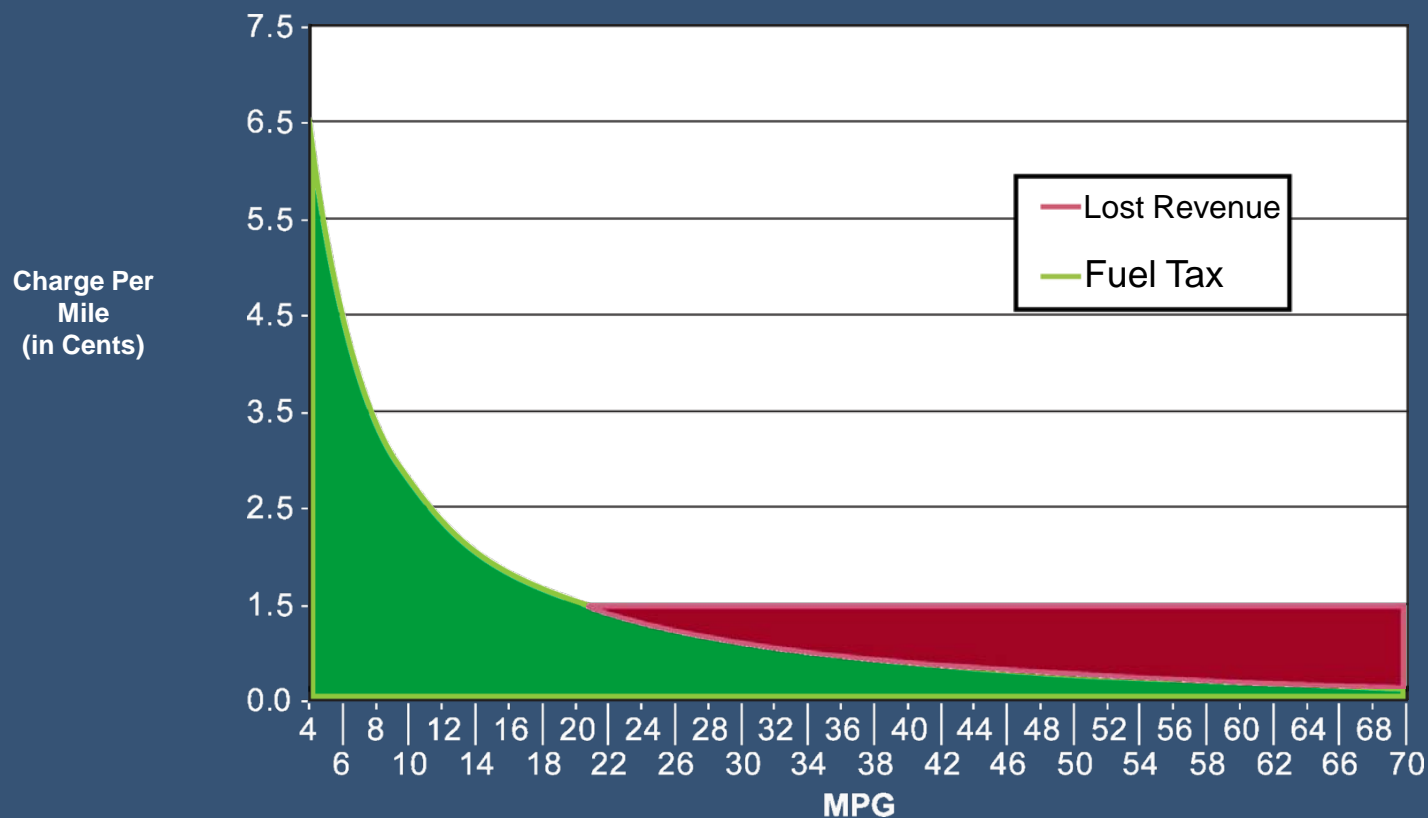   - Noncompliance investigation

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Rate Structure Issues for a Mandatory Road Usage Charge System

- Fairness vs. Simplicity

- Total vs. Partial Replacement of the Fuel Tax

- Low Entry Rate vs. Average Rate

- Single Rate vs. Multiple Rates
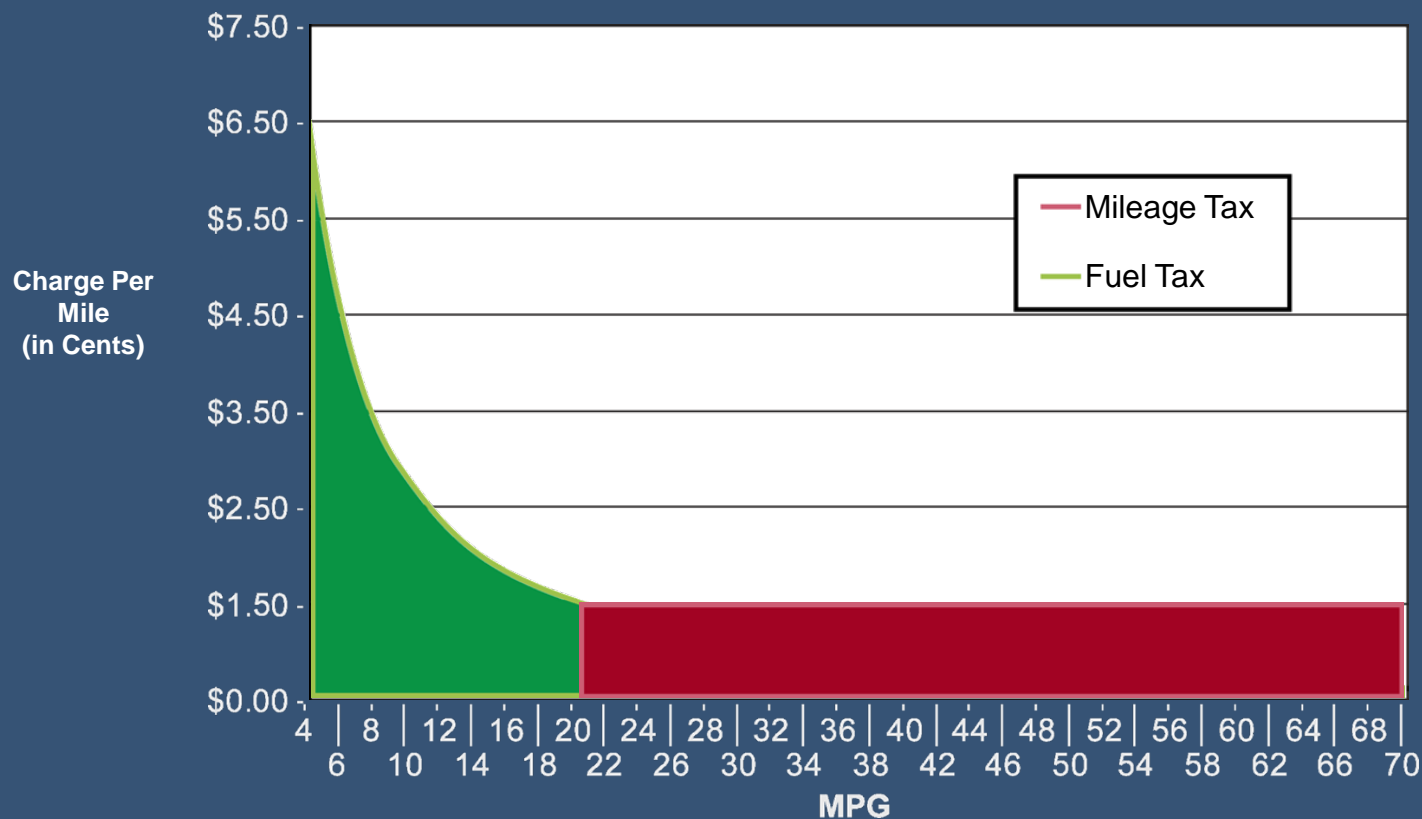
- Complete Policy vs. Multiple Steps
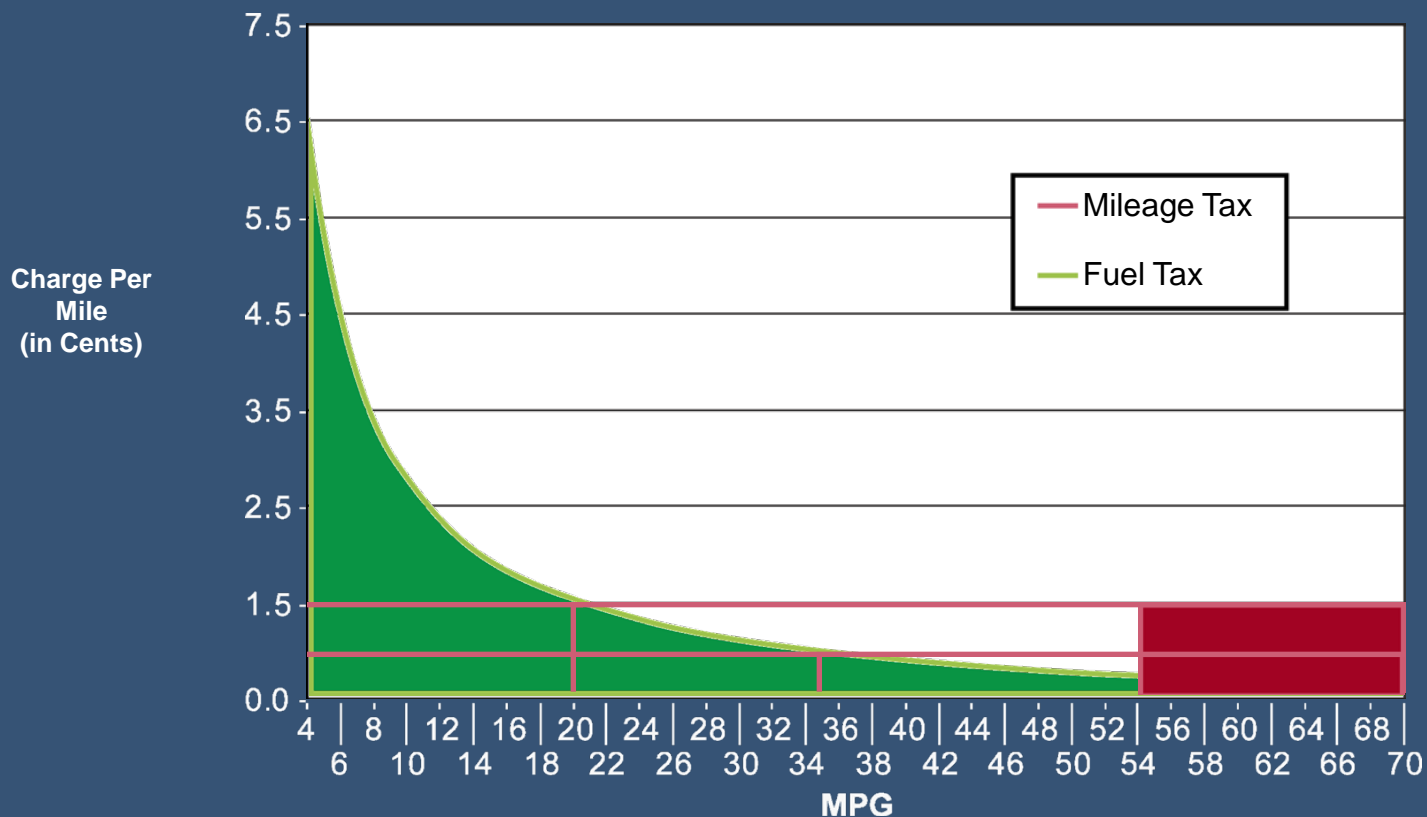
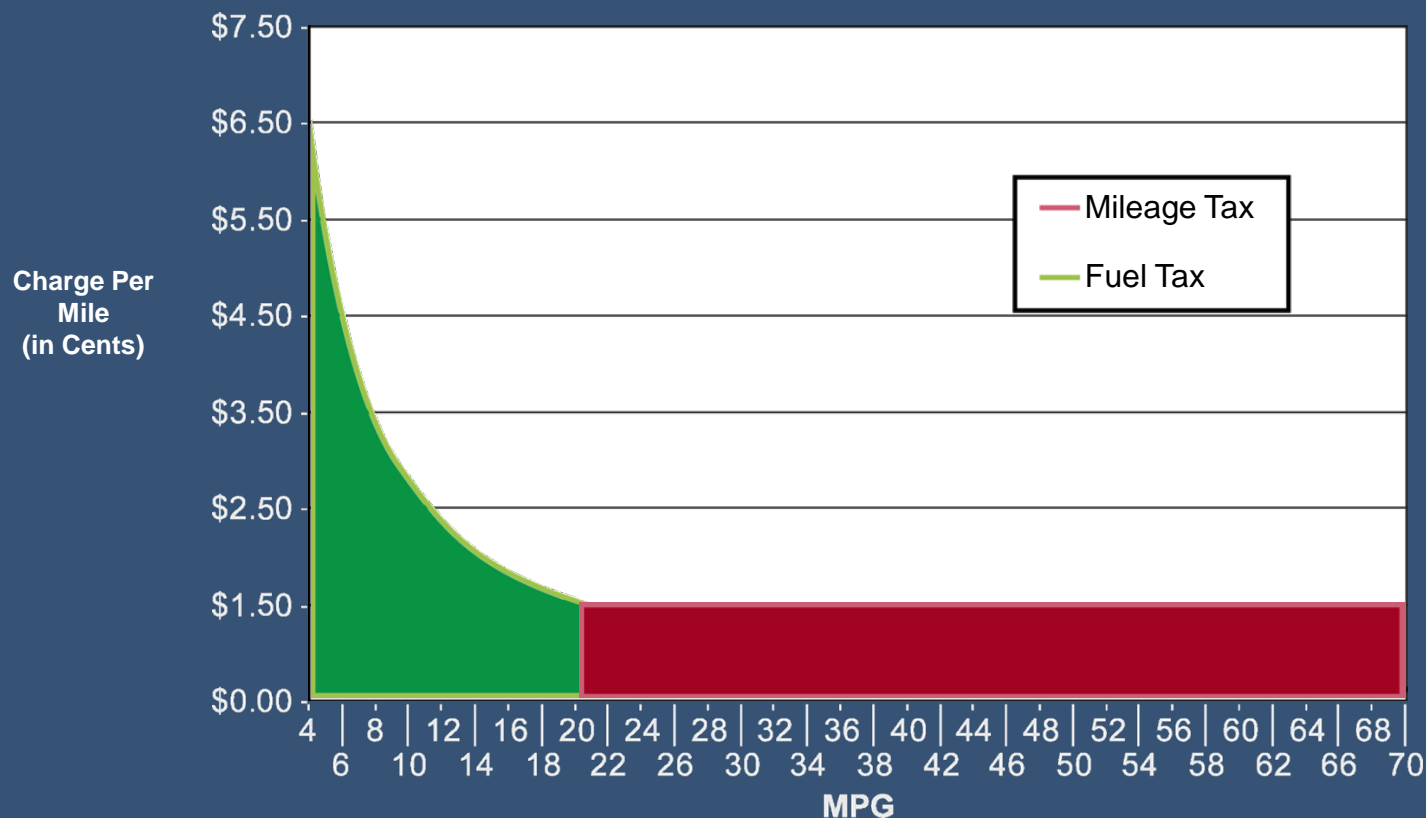# Fuel Tax Revenues and Lost Revenues

End Game for the Road Usage Charge?

Start of the Road Usage Charge

Stepping Into the Road Usage Charge

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What's Next

- Implementation in Oregon by July 1, 2015
  - Establishment of mileage reporting methods and administrative practices
  - Market formation for road usage charge collection
  - Marketing to volunteers

- Western Road Usage Charge Consortium
  - Multi-jurisdictional issues
  - Precision communications
  - Multiple state pilots
  - Potential for regional system

Road Usage Charge Program Website

http://www.oregon.gov/ODOT/HWY/RUFPP/Pages/ruc_overview.aspx